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# Questions and Answers about C. P. S.

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**Question:** Does C.P.S. exclude plastic surgery?

**Answer:** No, plastic surgery is not excluded from C.P.S. contracts, except when it is done for cosmetic purposes. C.P.S. provides coverage for active illnesses and injuries—not for beautification procedures.

**Question:** Does C.P.S. still have waiting periods?

**Answer:** Waiting periods have been removed for those enrolled in groups, except for the normal waiting period for maternity benefits; the individual family plan also has waiting periods for several specified conditions.

**Question:** Do age limits still apply in C.P.S. contracts?

**Answer:** In the individual family plan the age limit of 60 years *at time of joining* still applies, although membership may be continued after age 60 is reached. In group contracts all age limits have been removed, providing the persons enroll when first eligible. If a person who is 60 or more does not enroll in a C.P.S. group when first eligible, he is not permitted to do so at a later date.

**Question:** Does a wife, as the employee member of a two-visit-deductible contract, who has not added her husband to the hospital portion of the coverage, obtain any hospital benefits in an obstetrical case?

**Answer:** No, C.P.S. hospital benefits in maternity cases are paid only when there is at least a two-party contract which has been in effect for the period of ten months or more (nine months under new-type contracts). However, the terms of the medical contract do apply for the physician's professional services in connection with the maternity up to the limits stated in the contract.

**Question:** If a physician-member, or one of his staff, desires to join C.P.S. as a beneficiary, is he obliged to accept membership under the individual family plan?

**Answer:** No. C.P.S. has established a special "professional group" in which all physician-members may enroll for prepaid health benefits. The privilege of enrolling in this group also is extended to regular employees on the physician's staff (nurses, technicians, secretaries, receptionists, etc.) and to the family dependents of the physician and his staff employees. Dues for membership in this group are handled on a "direct pay" basis and are payable quarterly, semi-annually or annually. The basic coverage provided for all is the surgical contract and the 50-day hospital contract. In addition, physician-members and employees may, if desired, have either the two-visit-deductible medical contract or medical-services-while-hospitalized; dependents, if desired,

may have medical-services-while-hospitalized; all may add "catastrophic coverage," if desired.

**Question:** What should we tell our patients who inquire as to the availability of individual memberships?

**Answer:** It is requested that physicians refer these patients to the headquarters offices of C.P.S. in either Los Angeles or San Francisco, or to any C.P.S. district office. However, upon request from a physician-member, C.P.S. will furnish him with a supply of descriptive literature and application forms for the individual family plan, which may be presented to interested patients.

**Question:** Why does C.P.S., on group contracts, sometimes reject applicants and/or place limitations on specified ailments for a certain member?

**Answer:** In its early stages of development, C.P.S. had to learn many things about prepaid health coverage by the trial and error method. One of the lessons learned was: When persons do not join C.P.S. when membership is first available, they usually join later only when it becomes apparent to them that they are in need of an operation or other medical care.

Thus, C.P.S. adopted the following policy: All employees of a group are eligible to join when the group is formed, and all persons who are employed later may join C.P.S. within a reasonable time after commencing employment in the group. Those who forego this opportunity to join C.P.S., and decide to enroll at some later date, are not barred from membership, but are required to complete a health statement. The information contained on the health statement determines their eligibility for membership or limitation of coverage for a certain condition.

As can be seen, this policy was adopted to limit costly abuses of membership which, in the aggregate, would impair C.P.S. finances. Maintenance of the policy contributes to the goal of higher fees to physician-members.

**Question:** Are peacetime veterans eligible for medical treatment through the Veterans' Home Town Care Program?

**Answer:** Yes, for service-connected disabilities, if the veteran is receiving compensation from the Veterans Administration for a service-connected disability and was discharged under honorable conditions.

**Question:** If I treat a veteran who alleges service-connection for a disability, and subsequently my request is denied on the grounds of non-service-connection, may I bill the veteran for these services?

*Answer:* Yes. Even the first examination, which was necessary to arrive at the diagnosis which was ruled non-service-connected, should be the responsibility of the veteran.

*Question:* A man has a cold which develops into bronchitis, sinusitis and pneumonia. Three or four months are required for recovery. Three years later he has a recurrent bronchitis, but is not allowed C.P.S. benefits for the recurrence. Why?

*Answer:* Old C.P.S. contracts specifically state that medical care is limited to three consecutive months for any chronic or recurrent condition, including any and all complications and recurrences. In new contracts, currently being introduced, this stipulation has been revised as follows: Medical benefits are provided for three consecutive months for all non-surgical professional services, except for a number of listed ailments for which one year's care is provided.



## **Executive Secretaries Impressed by C. P. S. Efficiency**

Beneficial results achieved by the Conference of Executive Secretaries, recently conducted by California Physicians' Service at its San Francisco offices, are impressively revealed in reports written by various executive secretaries who attended the two-day meeting.

Purpose of the conference was to promote closer working relations between C.P.S. and county medical societies and to bring a fuller understanding of mutual problems and programs.

Writing in the bulletin of the Fresno County Medical Society, Glenn W. Gillette, executive secretary of the Fresno society, said: "California Physicians' Service is a well-organized, efficient and going concern."

Robert L. Wood, Jr., executive secretary of the San Mateo County Medical Society, in a letter to W. M. Bowman, C.P.S. executive director, said: "Your physical plant is a marvel to behold . . . and surely pays off in speed, accuracy and efficiency."

K. C. Young, executive secretary of the San Diego County Medical Society, wrote in his society's bulletin: "I was particularly impressed with the earnest manner in which C.P.S. attempts to please its 10,700 physician members. No complaint is unheeded, a sincere effort is made to satisfy everyone."

In addition to executive secretaries, the conference also was attended by representatives of the California Medical Association and the Public Health League.

Following a complete examination of C.P.S. offices, highlighted by explanations of departmental functions, the visitors engaged in roundtable discussions conducted by Mr. Bowman and C.P.S. department supervisors. Topics included physician relations, new contracts and conversion of old contracts, statistical studies, special review committees, the fee schedule, the income clause, sales procedures, veterans' program and administration.

Continuing his report, Gillette pointed out: "Each department within C.P.S. works under a budget and all general accounts are audited twice annually. Administrative expenses amount to a modest 12 per cent, highly favorable particularly in that the figure includes sales. . . . The nurse instruction courses now being held throughout the state are improving doctor-patient relationships. . . . The review committees (one in each county medical society) are funneling worthwhile suggestions to the medical department."

"C.P.S. has made, and is making, greater strides in the field of voluntary health insurance than the average busy physician realizes. To make constructive suggestions is the right of every member physician [and] the success of C.P.S. depends on the amount and direction of the individual physician's participation."

Further comments by Mr. Wood included: "I have gained a new respect for the whole program and was able to report most enthusiastically to my board of directors. . . . Your efforts to put all contracts on a paying basis are commendable. . . . It [C.P.S.] should never be construed as a source of wealth for the profession. However, every effort should be continued to pay full fee schedules as soon as possible."

Mr. Young was indelibly impressed by the actuarial work done in C.P.S. "C.P.S. leaves little to chance, everything is carefully calculated to five decimal points," he said. "From I.B.M. machines come every conceivable type of statistical information. . . . The administration knows at all times exactly which of many contracts is earning money and which is losing . . . and how much each medical procedure is costing. . . . Such information is of vital importance to safe financial operations because an unusual, protracted utilization of any medical procedure could upset the whole plan if not anticipated."